

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7889

BILL NUMBER: SB 413

NOTE PREPARED: Jan 11, 2005

BILL AMENDED:

SUBJECT: Attorney General collection costs.

FIRST AUTHOR: Sen. Bray

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill permits the Attorney General to collect the costs of a collection action that are incurred after a court or an administrative law judge determines the amount owed to the state. It also creates the Attorney General Collection Costs Account for the deposit of these funds, and appropriates the money in this fund to reimburse the Attorney General for certain collection costs.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues: This bill will result in an indeterminable increase in revenue to the Attorney General (AG). The amount of revenue will depend upon the costs incurred by the AG when instituting a proceeding to collect money owed to the state.

This bill provides that when the AG pursues an action to collect money owed to the state they may seek reimbursement for collection costs after there is a judicial determination that the person owes money to the state. Collection costs are defined in this bill as including the following:

- (1) Postage.
- (2) Document preparation.
- (3) Service of process.
- (4) Skip tracing.
- (5) The reasonable expenses of an investigation.

(6) Time spent by deputies and other employees preparing for litigation. The bill establishes the Attorney General Collection Cost Account. The collection costs that are accumulated are deposited in the account. The account is administered by the AG, and is used to reimburse the AG for certain expenses incurred in collecting money owed to the state. The bill provides that this is a non-reverting fund, and the expenses of administering the account are to be paid from the account.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General's Office

Local Agencies Affected:

Information Sources:

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